

Executive Summary of Competent Person's Report for the Wressle Field and Broughton North Prospect

Prepared For: Egdon Resources Limited

By: ERCE

Date: December 2023

ERCE

Independent Energy Experts

Approved by: Dr Adam Law

Date released to client: 31/12/2023

31 December 2023

The Directors
Egdon Resources Limited
Suite 205
450 Brook Drive Green Park
Reading RG2 6UU

The Directors
Europa Oil and Gas Limited
3rd Floor
6 Porter Street
London W1U 6DD

The Directors
Union Jack Oil plc
6 Charlotte Street
Bath BA1 2NE

Dear Sirs,

Re: Competent Person's Report for the Wressle Discovery and Broughton North Prospect, Licences PEDL 180 and PEDL 182, onshore UK

In accordance with your instructions, ERC Equipoise Ltd (ERCE) has made independent estimates of the Reserves, Contingent Resources and Prospective Resources of the Wressle field and the Broughton North prospect, which lie within PEDL 180 and PEDL 182, onshore UK.

The effective date of this report is 30th June 2023 ("Effective Date"). For the preparation of this CPR ERCE was provided with data and information by Egdon Resources Limited (Egdon) up to the Effective Date.

Egdon has provided written representations that no data or information has been acquired between the Effective Date and the publication date of this CPR that would materially affect the opinions expressed in this CPR.

ERCE has carried out this work in accordance with the June 2018 SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ("PRMS") as the standard for classification and reporting. A summary of the PRMS is found in Appendix 1 of the report. The full text can be downloaded from: -

<https://www.spe.org/en/industry/petroleum-resources-management-system-2018/>

Nomenclature that may be used in this CPR is summarised in Appendix 2: Nomenclature.

Use of the Report

This letter and enclosed report are for the sole use of the addressees and their financial advisors. It may not be disclosed to any other person or used for any other purpose without the prior written approval of a Director of ERCE

The addressees agree to ensure that any publication or use of this report which makes reference to ERCE shall be published or quoted in its entirety and the addressees shall not publish or use extracts of this report or any edited or amended version of this report, without the prior written consent of ERCE. In the case that any part of this report is delivered in digital format, ERCE does not accept any responsibility for edits carried out by the clients or any third party or otherwise after such material has been sent by ERCE to the client.

Disclaimer

ERCE has made every effort to ensure that the interpretations, conclusions and recommendations presented in this report are accurate and reliable in accordance with good industry practice. ERCE does not, however, guarantee the correctness of any such interpretations and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation or recommendation made by any of its officers, agents or employees.

ERCE has used standard petroleum evaluation techniques in the generation of this report. These techniques combine geophysical and geological knowledge with assessments of porosity and permeability distributions, fluid characteristics, production performance and reservoir pressure. There is uncertainty in the measurement and interpretation of basic data. ERCE has estimated the degree of this uncertainty and determined the range of petroleum initially in place and recoverable hydrocarbon volumes. In applying these procedures and tests, nothing came to the attention of ERCE that would suggest that information provided by Egdon was not complete and accurate. ERCE reserves the right to review all calculations referred to or included in this report and to revise the estimates in light of erroneous data supplied or information existing but not made available which becomes known subsequent to the preparation of this CPR.

The accuracy of any Reserves, Contingent Resources, Prospective Resources and production estimates is a function of the quality and quantity of available data and of engineering interpretation and judgment. While Reserves, Contingent Resources, Prospective Resources and production estimates presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Revenue projections presented in this report are based in part on forecasts of market prices, currency rates, inflation, market demand and government policy which are subject to many

uncertainties and may, in future, differ materially from the forecasts utilised herein. Present values of revenues documented in this report do not necessarily represent the fair market value of the Reserves evaluated herein.

In the case of Contingent Resources presented in this report, there is no certainty that it will be commercially viable to produce any portion of the resources.

In the case of undiscovered resources (Prospective Resources) presented in this report, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

No site visits were undertaken in the preparation of this CPR.

Professional Qualifications

ERCE is an independent consultancy specialising in geoscience evaluation, engineering and economic assessment. ERCE will receive a fee for the preparation of this report in accordance with normal professional consulting practices. This fee is not dependent on the findings of this CPR and ERCE will receive no other benefit for the preparation of this CPR.

Neither ERCE nor the Competent Person who is responsible for authoring this CPR, nor any Directors of ERCE have at the date of this report any shareholding in the addressees. Consequently, ERCE, the Competent Person and the Directors of ERCE consider themselves to be independent of the addressees, their directors and senior management.

ERCE has the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets.

The preparation of this report has been supervised by Dr Adam Law, Geoscience Director of ERCE, a post-graduate in Geology, a Fellow of the Geological Society and a member of the Society of Petroleum Evaluation Engineers. Dr Law therefore possesses the required competencies, being professionally qualified and a member in good standing of an appropriate recognised professional association.

Yours faithfully

ERC Equipoise Limited



Adam Law
Director

1. Executive Summary

This report details Reserves, Contingent Resources and Prospective oil and gas Resources of the Wressle field and the Broughton North prospect, which lie within PEDL 180 and 182, onshore UK. The PEDL 180 and PEDL 182 licences are held by Egdon Resources UK Limited, a wholly owned subsidiary of Egdon Resources Limited.

Licence interests for the addressee companies are in Table 1.1. The Wressle development is operated by Egdon.

Table 1.1: Licence Interests, PEDL 180 and 182

Company	PEDL 180 Interest (%)	PEDL 182 Interest (%)
Egdon Resources U.K. Limited (Operator)	30.00%	30.00%
Europa Oil & Gas Limited	30.00%	30.00%
Union Jack Oil plc	40.00%	40.00%
Licence Area (sq km)	40	19
Expiration Date	30 th June 2039	30 th June 2039

Volumes in Place

ERCE has estimated both Stock Tank Oil Initially in Place (STOIIP), Gas Initially in Place (GIIP), where appropriate, oil Reserves and Contingent oil and gas Resources (free and solution gas) for the Wressle field, in the Ashover Grit (AG), Wingfield Flags (WF) and Penistone Flags (PF) reservoirs. ERCE has estimated STOIIP, Free GIIP and Prospective oil and gas Resources, together with an estimate of Geological Chance of Success (COS) for both the Broughton North Prospect and the prospective intervals within the Wressle field which include the Chatsworth Grit, the Raventhorpe and Santon sandstones. ERCE has assessed both an oil and gas case for the Wressle accumulation in the Chatsworth Grit and Santon sandstones as there is uncertainty regarding the phase. These are denoted using (O) for oil and (G) for gas respectively in Table 1.3.

Gross estimates of STOIIP and Free GIIP are presented from Table 1.2 to Table 1.3.

Table 1.2: STOIP and Free GIIP for the Wressle Field

Reservoir	STOIP (Mstb)				Free GIIP (MMscf)			
	Low	Best	High	Mean	Low	Best	High	Mean
Penistone Flags	6,880	10,670	15,490	10,997	907	1,622	2,831	1,773
Wingfield Flags	330	679	1405	799	101	184	338	206
Ashover Grit	1,639	2,454	3,618	2,562	-	-	-	-

Table 1.3: Undiscovered HIIP for the Wressle Field and the Broughton North Prospect

Reservoir	Accumulation	Phase	HIIP			
			Low	Best	High	Mean
Chatsworth Grit	Broughton	Gas (MMscf)	16	90	512	224
	Wressle (G)	Gas (MMscf)	204	686	2,285	1,062
	Wressle (O)	Oil (Mstb)	169	568	1,893	881
Raventhorpe	Broughton	Gas (MMscf)	9	38	163	72
Santon	Broughton	Gas (MMscf)	35	151	650	287
	Wressle (G)	Gas (MMscf)	195	303	452	316
	Wressle (O)	Oil (Mstb)	171	265	397	277
Penistone Flags	Broughton North	Gas (MMscf)	140	340	640	370
		Oil (Mstb)	950	1,860	3,500	2,090
Ashover Grit	Broughton North	Oil (Mstb)	440	1,070	2,550	1,340

Notes:

1. (G) denotes that it is a gas case.
2. (O) denotes that it is an oil case.
3. The oil and gas cases cannot be summed.
4. GIIP estimations are limited to the free gas only.

Reserves

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates as Proved (1P), Proved plus Probable (2P) and Proved plus Probable plus Possible (3P).

The Ashover Grit was placed on production on 30 January 2021 through Well Wressle-1. It was stimulated using proppant squeeze techniques in July 2021. Production is planned to continue through Well Wressle-1 with the addition of a down hole jet pump.

The partnership has no current plans to perforate the Wingfield Flags. Any oil and gas produced from the Wingfield Flags will be due to cross flow between intervals in Well Wressle-1.

Egdon has submitted and gained North Sea Transition Authority consent for a Field Development Plan (FDP) for the further development of the Wressle field. The Penistone Flags development plan involves the drilling of two infill wells from both existing and newly permitted sites which will require additional planning and permit consents. The first infill well (Wressle-2) is planned to be drilled from the Well Wressle-1 well pad. There is the intention to stimulate this well using similar techniques to those applied to the Ashover Grit in Well Wressle-1.

ERCE has made independent estimates of oil, gas and water production profiles for the three reservoirs associated with this development plan, assessed estimates of capital and operating costs for the development, and subjected these profiles to an economic limit test to compute the quantum of economic resources (Reserves) that would be associated with this development. Gross and Net Reserves are presented from Table 1.4 to Table 1.7.

Table 1.4: Gross Oil Reserves, Wressle Field

Reservoir	Oil Reserves (Mstb) ¹		
	1P	2P	3P
Penistone	547	1,253	2,590
Wingfield	42	458	1,095
Ashover			

Notes:

1. Reserves attributable to the Ashover Grit (AG), Wingfield Flags (WF) and Penistone Flags (PF) are dependent on the development plan outlined in Section 3.5 (i.e. Reserves from Wingfield are estimated solely from crossflow production) and cannot be assigned to standalone developments of either reservoir.

Table 1.5: Gross Gas Reserves, Wressle Field

Reservoir	Gas Reserves (MMscf) ^{1,2}		
	1P	2P	3P
Penistone	1,809	3,601	6,050
Wingfield	0	181	827
Ashover			

Notes:

1. Including solution gas.
2. Reserves attributable to the Ashover Grit, Wingfield Flags and Penistone Flags are dependent on the development plan outlined in Section 3.5, and cannot be assigned to standalone developments of either reservoir.

Table 1.6: Net oil Reserves, Wressle Field

Company	Interest (%)	Net oil Reserves (Mstb)		
		1P	2P	3P
Egdon Resources U.K. Limited	30.00%	177	513	1,105
Europa Oil & Gas Limited	30.00%	177	513	1,105
Union Jack Oil plc	40.00%	235	685	1,474

Table 1.7 Net gas Reserves, Wressle Field

Company	Interest (%)	Net gas Reserves (MMscf) ¹		
		1P	2P	3P
Egdon Resources U.K. Limited	30.00%	543	1,135	2,063
Europa Oil & Gas Limited	30.00%	543	1,135	2,063
Union Jack Oil plc	40.00%	724	1,513	2,751

Notes:

1. Including solution gas.
2. Company Working Interest Reserves are based on the working interest share of the field gross Reserves and are prior to deduction of royalties.

Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates as 1C, 2C and 3C.

There are recoverable resources estimated for the Wingfield Flags reservoir that are not recovered under the current development plan. Gross and Net Contingent Resources are presented from Table 1.8 to Table 1.11

Table 1.8: Contingent oil Resources for the Wressle Field

Reservoir	Oil Contingent Resources (Mstb)		
	1C	2C	3C
Penistone	-	-	-
Wingfield	17	64	117
Ashover	-	-	-

Table 1.9: Contingent gas Resources for the Wressle Field

Reservoir	Gas Contingent Resources (MMscf) ¹		
	1C	2C	3C
Penistone	-	-	-
Wingfield	119	256	505
Ashover	-	-	-

Notes:

1. Including solution gas.

Table 1.10: Net Contingent oil Resources for the Wressle Field

Company	Interest (%)	Net Contingent oil Resources (Mstb)		
		1C	2C	3C
Egdon Resources U.K. Limited	30.00%	5	19	35
Europa Oil & Gas Limited	30.00%	5	19	35
Union Jack Oil plc	40.00%	7	26	47

Table 1.11: Net Contingent gas Resources for the Wressle Field

Company	Interest (%)	Net Contingent gas Resources (MMscf) ¹		
		1C	2C	3C
Egdon Resources U.K. Limited	30.00%	36	77	152
Europa Oil & Gas Limited	30.00%	36	77	152
Union Jack Oil plc	40.00%	48	102	202

Notes:

1. Including solution gas
2. Totals may not equal the sum due to rounding

Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development. For Prospective Resources the estimates are categorised as 1U, 2U and 3U. Prospective Resources may be sub-classified as Prospects, Leads and Plays. A Prospect is a potential accumulation that is sufficiently well defined to represent a viable drilling target. A Lead is a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect. A Play is a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.

ERCE has evaluated the undiscovered HIIP, Prospective Resources and Geological Chance of Success (CoS) associated with the Broughton North prospect and the Chatsworth Grit, Raventhorpe and Santon reservoirs that lie within the Wressle field. Both oil and gas cases are evaluated for the Wressle structure in the Chatsworth Grit and Santon intervals as there is uncertainty in the hydrocarbon phase. These are denoted using an (O) and (G) respectively in this report. Whilst oil and gas cases are both plausible scenarios, they are exclusive alternative models and cannot be summed together to estimate total Prospective Resources. Gross Prospective Resources are presented in Table 1.12.

Table 1.12: Gross Prospective Resources, Broughton North and Wressle Field

Reservoir	Accumulation	Prospect Gross	Prospective Resources (Unrisked)				COS	Pros. Res. Risked Mean
			1U	2U	3U	Mean		
Chatsworth Grit	Broughton (G)	Sales Gas (MMscf)	9	49	265	123	64%	79
	Wressle (G)	Sales Gas (MMscf)	107	360	1242	574	51%	294
	Wressle (O)	Crude Oil (Mstb)	22	81	303	137	51%	70
		Sales Gas (MMscf)	19	71	274	121	51%	62
Raventhorpe	Broughton (G)	Sales Gas (MMscf)	5	20	85	38	64%	24
Santon	Broughton (G)	Sales Gas (MMscf)	18	79	353	156	64%	100
	Wressle (G)	Sales Gas (MMscf)	94	159	263	171	58%	98
	Wressle (O)	Crude Oil (Mstb)	18	39	72	43	58%	24
		Sales Gas (MMscf)	16	34	66	38	58%	22
Penistone Flags	Broughton North	Sales Gas (MMscf)	252	624	1339	729	49%	357
		Crude Oil (Mstb)	106	266	578	313	49%	153
Ashover Grit	Broughton North	Sales Gas (MMscf)	47	137	374	184	40%	73
		Crude Oil (Mstb)	55	209	654	301	40%	120

Notes:

1. Including solution gas.
2. COS is the chance of geological success.
3. (G) – Denotes a Gas Case.
4. (O) – Denotes an Oil Case.
5. Oil Cases have both an oil resource and an associated gas resource.
6. These resources are not risked for chance of development and there is no certainty that if they are discovered they will be developed.

Economic Evaluation and CoP Dates

ERCE has carried out an economic evaluation of the Reserves in each field using ERCE forecast commodity prices dated 1 July 2023 and escalated at 2.0% per annum inflation (Table 1.13 and Table 1.14).

Table 1.13: Oil Price Forecasts as of 1 July 2023

Brent (\$/bbl)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+
Real (constant \$, 2023)	77	75	75	75	75	75	75	75	75	75	75
Nominal (\$ of the day)	77	77	78	80	81	83	85	86	88	90	+2.0% pa

Table 1.14: Gas Price Forecasts as of 1 July 2023

UK NBP (p/therm)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+
Real (constant pence, 2023)	102	117	96	90	86	86	86	86	86	86	86
Nominal (pence of the day)	102	120	100	96	93	95	97	99	101	103	+2.0% pa

Notes:

1. Brent forecast based on the ERCE Q2 2023 (real) price forecast.
2. Gas prices based on ERCE Q2 2023 (real) UK NBP price forecast.